Free trade is like all competitive and technological changes. It creates and it destroys. It gives and it takes away. Free trade lowers the price of the imported goods (products) by increasing competition. It also raises the demand for efficiently produced domestic goods. In the export industries, sales will increase, profits will rise, and stock prices will climb. It is clear that two groups will benefit from these new conditions. The consumers of the imported goods will benefit, as will the producers of the exported goods.

However it is clear that there are groups that are harmed as well. One of the most visible groups is the domestic producers. They must compete with the producers of the imported goods. The domestic producers are harmed in various ways. They experience noticeable declines in market share, falling profits, and deteriorating stock prices.